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6 Attorneys for Complainant

7
8 **BEFORE THE**
CALIFORNIA BOARD OF ACCOUNTANCY
9 **DEPARTMENT OF CONSUMER AFFAIRS**
STATE OF CALIFORNIA

10 In the Matter of the Accusation Against:

Case No. AC-2002-22

11 JOHN K. JUDD JR.

12 Respondent.

13 **STIPULATED SETTLEMENT AND**
14 **DISCIPLINARY ORDER**

15
16 IT IS HEREBY STIPULATED AND AGREED by and between the parties to the
17 above-entitled proceedings that the following matters are true:

18 PARTIES

19 1. Carol Sigmann (Complainant) is the Executive Officer of the California
20 Board of Accountancy. She brought this action solely in her official capacity and is represented
21 in this matter by Bill Lockyer, Attorney General of the State of California, by Elena L. Almanzo,
22 Deputy Attorney General.

23 2. John K. Judd Jr. (Respondent) is representing himself in this proceeding
24 and has chosen not to exercise his right to be represented by counsel.

25 3. On or about July 25, 1980, the California Board of Accountancy issued
26 Certificate Number CPA 30137 to John K. Judd Jr. (Respondent). Said license expired on
27 November 30, 2001 and has not been renewed.

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1 final until the judge accepted the jury's verdict at the time of sentencing. Respondent's
2 sentencing occurred on March 26, 2001, the date on the letter respondent sent to the Board
3 notifying them of his conviction.

4 10. Respondent agrees that his Certificate is subject to discipline and he agrees
5 to be bound by the California Board of Accountancy (Board) 's imposition of discipline as set
6 forth in the Disciplinary Order below.

7 RESERVATION

8 11. The admissions made by Respondent herein are only for the purposes of
9 this proceeding, or any other proceedings in which the California Board of Accountancy or other
10 professional licensing agency is involved, and shall not be admissible in any other criminal or
11 civil proceeding.

12 CONTINGENCY

13 12. This stipulation shall be subject to approval by the California Board of
14 Accountancy. Respondent understands and agrees that counsel for Complainant and the staff of
15 the California Board of Accountancy may communicate directly with the Board regarding this
16 stipulation and settlement, without notice to or participation by Respondent. By signing the
17 stipulation, Respondent understands and agrees that he may not withdraw his agreement or seek
18 to rescind the stipulation prior to the time the Board considers and acts upon it. If the Board fails
19 to adopt this stipulation as its Decision and Order, the Stipulated Settlement and Disciplinary
20 Order shall be of no force or effect, except for this paragraph, it shall be inadmissible in any legal
21 action between the parties, and the Board shall not be disqualified from further action by having
22 considered this matter.

23 13. The parties understand and agree that facsimile copies of this Stipulated
24 Settlement and Disciplinary Order, including facsimile signatures thereto, shall have the same
25 force and effect as the originals.

26 14. In consideration of the foregoing admissions and stipulations, the parties
27 agree that the Board may, without further notice or formal proceeding, issue and enter the
28 following Disciplinary Order:

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DISCIPLINARY ORDER

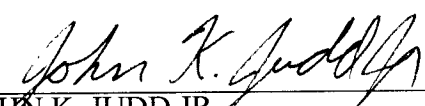
IT IS HEREBY ORDERED that Certificate Number CPA 30137 issued to Respondent John K. Judd Jr. is revoked.

IT IS FURTHER ORDERED, that should respondent should respondent reapply or petition for the reinstatement of his license, he will be required to pay the Board its costs in the amount of \$4,836.23.

ACCEPTANCE

I have carefully read the Stipulated Settlement and Disciplinary Order. I understand the stipulation and the effect it will have on my Certificate Number CPA 30137. I enter into this Stipulated Settlement and Disciplinary Order voluntarily, knowingly, and intelligently, and agree to be bound by the Decision and Order of the California Board of Accountancy.

DATED: March 28, 2003.



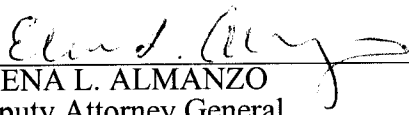
JOHN K. JUDD JR.
Respondent

1 ENDORSEMENT

2 The foregoing Stipulated Settlement and Disciplinary Order is hereby respectfully
3 submitted for consideration by the California Board of Accountancy of the Department of
4 Consumer Affairs.

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6 DATED: 4/8/03.

7 BILL LOCKYER, Attorney General
8 of the State of California

9 
10 ELENA L. ALMANZO
11 Deputy Attorney General

12 Attorneys for Complainant

13 DOJ Docket Number: 03541110-A2002 D0799
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**BEFORE THE
CALIFORNIA BOARD OF ACCOUNTANCY
DEPARTMENT OF CONSUMER AFFAIRS
STATE OF CALIFORNIA**

In the Matter of the Accusation Against:

JOHN K. JUDD JR.

Respondent.

Case No. AC-2002-22

OAH No.

DECISION AND ORDER

The attached Stipulated Settlement and Disciplinary Order is hereby adopted by the California Board of Accountancy, Department of Consumer Affairs, as its Decision in this matter.

This Decision shall become effective on June 21, 2003.

It is so ORDERED May 22, 2003.



FOR THE CALIFORNIA BOARD OF ACCOUNTANCY
DEPARTMENT OF CONSUMER AFFAIRS

Exhibit A
Accusation No. AC-2002-22

1 BILL LOCKYER, Attorney General
of the State of California
2 ELENA L. ALMANZO, State Bar No. 131058
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3 California Department of Justice
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8 **BEFORE THE**
9 **CALIFORNIA BOARD OF ACCOUNTANCY**
10 **DEPARTMENT OF CONSUMER AFFAIRS**
STATE OF CALIFORNIA

11 In the Matter of the Accusation Against:

Case No. AC-2002-22

12 JOHN K. JUDD JR., C.P.A.
25988 Cherryhill Dr.
13 Boron, California 93516

A C C U S A T I O N

14 Certificate No. CPA 30137

15 Respondent.
16

17 Complainant alleges:

18 PARTIES

19 1. Carol Sigmann (Complainant) brings this Accusation solely in her official
20 capacity as the Executive Officer of the California Board of Accountancy, Department of
21 Consumer Affairs.

22 2. On or about July 25, 1980, the California Board of Accountancy issued
23 Certificate Number CPA 30137 to John Judd Jr., C.P.A. (Respondent). The Certificate expired
24 on November 30, 2001, and has not been renewed.

25 JURISDICTION

26 3. This Accusation is brought before the California Board of Accountancy
27 (Board), under the authority of the following sections of the Business and Professions Code
28 (Code).

1 4. Section 118 of the Code states in pertinent part:

2 "(b) The suspension, expiration, or forfeiture by operation of law of a license
3 issued by a board in the department, or its suspension, forfeiture, or cancellation by order
4 of the board or by order of a court of law, or its surrender without the written consent of
5 the board, shall not, during any period in which it may be renewed, restored, reissued, or
6 reinstated, deprive the board of its authority to institute or continue a disciplinary
7 proceeding against the licensee upon any ground provided by law or to enter an order
8 suspending or revoking the license or otherwise taking disciplinary action against the
9 licensee on any such ground.

10 "(c) As used in this section, 'board' includes an individual who is authorized by
11 any provision of this code to issue, suspend, or revoke a license, and 'license' includes
12 'certificate,' 'registration,' and 'permit.'"

13 5. Section 5100 of the Code states in pertinent part:

14 After notice and hearing the board may revoke, suspend or refuse to renew any
15 permit or certificate granted under Article 4 (commencing with Section 5070) and Article
16 5 (commencing with Section 5080), or may censure the holder of that permit or certificate
17 for unprofessional conduct which includes, but is not limited to, one or any combination
18 of the following causes:

19 (a) Conviction of any crime substantially related to the qualifications, functions
20 and duties of a certified public accountant or a public accountant.

21 6. Section 5063 of the Code requires a licensee to report in writing to the
22 Board within 30 days all felony convictions and convictions of any crime: related to the
23 qualifications, functions or duties of a licensee or committed in the course and scope of
24 practice of public accountancy; or involving theft, embezzlement, misappropriation of
25 funds or property, breach of a fiduciary responsibility, or the preparation, publication, or
26 dissemination of false, fraudulent, or materially misleading financial statements, reports
27 or information.

1 7. Section 5106 of the Code states:

2 A plea or verdict of guilty or a conviction following a plea of nolo contendere is
3 deemed to be a conviction within the meaning of this article. The record of the
4 conviction shall be conclusive evidence thereof. The board may order the certificate or
5 permit suspended or revoked, or may decline to issue a certificate or permit, when the
6 time for appeal has elapsed, or the judgment of conviction has been affirmed on appeal or
7 when an order granting probation is made, suspending the imposition of sentence,
8 irrespective of a subsequent order under the provisions of Section 1203.4 of the Penal
9 Code allowing such person to withdraw his plea of guilty and to enter a plea of not guilty,
10 or setting aside the verdict of guilty or dismissing the accusation, information or
11 indictment.

12 8. Section 5107 of the Code provides, in pertinent part, that the Executive
13 Officer of the Board may request the administrative law judge to direct a licentiate found guilty
14 of unprofessional conduct in violation of section 5100 (a) to pay a sum not to exceed the
15 reasonable costs of the investigation and prosecution of the case.

16 CAUSE FOR DISCIPLINE

17 (Conviction of a crime)

18 9. Respondent is subject to disciplinary action under section 5100(a) in that
19 he was convicted of crimes which are substantially related to the practice of accountancy. The
20 circumstances are as follows:

21 10. On or about October 5, 2000, respondent was convicted in United States
22 of America v. Mark D. Seigel, Alexander L. Kahn, John K. Judd Jr., and Betty Ann Ruben,
23 United States District Court for the Central District of California, Case No. 99-CR-507-3,
24 following a jury trial by a finding of guilty of one count of Conspiracy to commit money
25 laundering (18 U.S.C. §371, §1956 (h)), a Class D Felony; eight counts of Aiding and Abetting
26 Securities Fraud (15 U.S.C. §78j(b), §78ff, 17 CFR §240.10b-5, 18 U.S.C. §2), Class C Felonies;
27 nine counts of Aiding and Abetting Mail Fraud (18 U.S.C. §1341, §2), Class D Felonies, and
28 twenty-two counts of Aiding and Abetting Money Laundering (18 U.S.C. §§1956 (a)(1) (A)(i)

1 and (B) (i) and §2). Class C Felonies.

2 The circumstances follow:

3 In February 1993, respondent became the President and owner of KS Resources.
4 KS Resources' business was the issuance of oil and gas well securities. KS Resources raised
5 over \$40 million through the sale of partnership interests to approximately 1,500 investors.
6 Respondent among other things, in order to induce potential investors to invest in RS Resources
7 limited partnerships, or to encourage reinvestment, made false representations by informing
8 investors that they would receive a return on their investment from the sale of oil or gas from
9 partnership properties, when in truth and in fact, a significant portion of the returns actually paid
10 to investors were funds derived from investments by other investors and not from the sale of oil
11 or gas. Respondent arbitrarily determined the return to be paid to the victim investors.

12 Respondent knowingly and willfully, directly and indirectly, (1) employed a scheme to
13 defraud, (2) obtained money by means of untrue statements and omissions of material facts, and
14 (3) engaged in acts, practices and courses of business that operated as a fraud and deceit, through
15 the use of means and instrumentalities of interstate commerce and of the United States mails, in
16 connection with the sale of securities.

17 Respondent knowingly devised and participated in a scheme to defraud and obtain money
18 and property by means of false and fraudulent pretenses, representations and promises, and for
19 the purpose of executing the scheme and attempting to do so, knowingly using or causing to be
20 used the United States mails or any private or commercial interstate carrier.

21 Respondent knowing that property involved in certain financial transactions represented
22 the proceeds of some form of unlawful activity, conducted and attempted to conduct such
23 financial transactions affecting interstate commerce, which transactions in fact involved the
24 proceeds of specified unlawful activity namely fraud in the sale of securities and mail fraud (1)
25 with the intent to promote the carrying on of such specified unlawful activity and (2) knowing
26 that the transactions were designed in whole or in part to conceal and disguise the nature,
27 location, source, ownership and control of the proceeds of the specified unlawful activity.

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Abstract

1. The first step in the process of identifying a problem is to define the problem. This involves identifying the symptoms and the underlying causes of the problem. Once the problem has been defined, the next step is to identify the stakeholders who are affected by the problem. This involves identifying the individuals, groups, and organizations that are impacted by the problem. The third step is to identify the resources that are available to address the problem. This involves identifying the people, money, and other resources that can be used to solve the problem. The fourth step is to develop a plan of action. This involves identifying the steps that need to be taken to solve the problem. The fifth step is to implement the plan. This involves putting the plan into action. The sixth step is to evaluate the results. This involves assessing the effectiveness of the plan and making adjustments as needed. The seventh step is to communicate the results. This involves sharing the results of the process with the stakeholders. The eighth step is to monitor the results. This involves tracking the progress of the process and making adjustments as needed. The ninth step is to report the results. This involves providing a final report on the results of the process. The tenth step is to conclude the process. This involves ending the process and moving on to the next step.